GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:12
ANSWERED ON:07.07.2014
PRICES OF PETROLEUM PRODUCTS
Nayak Shri B.V.;Roy Prof. Saugata

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of increases/decrease in prices of various petroleum products by Oil Marketing Companies during the last one year;

(b) whether the Government proposes to hike the prices of petroleum products such as diesel, petrol, natural gas etc. and if so, the details thereof and the reasons therefor, products-wise;

(c) whether the Government has evaluated the impact of rise in prices of these products on the lives of common man in the country; and

(d) if so, the details thereof along with the steps taken by the Government to keep the prices of petroleum products under control and to insulate the common man from undue burden?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN)

(a) to (d): A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (d)of the Lok Sabha Starred Question No.12 asked by Shri B.V. Naik and Prof. Saugata Roy to be answered on 7th July, 2014 regarding "Prices of Petroleum Products".

(a) and (b): The price of Petrol has already been made market determined effective 26th June, 2010 and since then, the Public Sector Oil Marketing Companies (OMCs) take decision on the price of Petrol and increase/decrease the price of Petrol in line with changes in international prices and other related factors. As regards Diesel, effective 18th January 2013, the Government has authorized the OMCs to (a) increases the retail selling price of Diesel in the range of 40 paisa to 50 paisa per litre per month (excluding VAT as applicable in different State/Union Territories) until further orders, and (b) sell Diesel to all consumers taking bulk supplies directly from the installations of the OMCs at non-subsidized market determined price, with immediate effect.

The details of revisions in price of Petrol, Diesel (in retail),Subsidized Domestic LPG and PDS Kerosene (at Delhi) since April,2013 and onwards are given at the Annexure.

So far as Domestic Natural Gas is concerned the Government has decided to keep the Domestic Natural Gas pricing guidelines 2014 in abeyance till 30.09.2014. Till such time, the domestically produced gas would continue to be priced at rates prevailing as on 31.03.2014.

(c) and (d): Regarding the impact of rise in prices of petroleum products on the common man, Petrol being largely an item of final consumption, has a very limited impact on inflation while the impact of price hike in diesel on inflation, is higher.

In order to insulate the common man from the impact of high and fluctuating international oil prices, the Government continues to subsidize the retail selling prices of Diesel (in retail), PDS Kerosene and Subsidized Domestic LPG. There has been no increase in basic price of PDS Kerosene and Subsidized Domestic LPG since June 2011. However, the State Specific Surcharge, distributor commission , siding/shunting charges etc. vary from time to time and are passed on to the consumers. Based on the refinery gate price effective 1.7.2014, the OMCs are currently incurring under recoveries of ` 3.40/litre on retail Diesel, ` 33.07/litre on PDS Kerosene and ` 449.17/cylinder on Subsidized Domestic LPG.